

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**JOINT URGENT MOTION BY AMBAC ASSURANCE CORPORATION,
FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,
PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY,
AND THE COMMONWEALTH OF PUERTO RICO, SEEKING AN
ORDER GRANTING AN ADJOURNMENT OF THE HEARING
ON THE PENSIONS DISCOVERY MOTIONS**

To the Honorable United States District Court Judge Laura Taylor Swain:

Movant Ambac Assurance Corporation (“Ambac”) and Respondents Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), and the Commonwealth of Puerto Rico (the “Commonwealth,” and together with the Oversight Board and AAFAF, “Respondents”), by and through the Oversight Board as the Commonwealth’s representative pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), respectfully

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

submit this joint urgent motion (the “Joint Motion”) for entry of an order, substantially in the form attached hereto as Exhibit A, granting an adjournment of the hearing on Ambac’s *Motion To Compel Pensions Discovery* (Dkt. No. 7505) and *Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004* (Dkt. No. 7507) (together, the “Pensions Discovery Motions”) to August 14, 2019, or as soon thereafter as is convenient for the Court. In support of the Joint Motion, the parties respectfully represent as follows:

BACKGROUND

1. On June 18, 2019, Ambac filed the Pensions Discovery Motions (Dkt. Nos. 7505, 7507). The Ad Hoc Group of General Obligation Bondholders (the “GO Group”), Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (together, “Assured”), and Financial Guaranty Insurance Company (“FGIC”) filed joinders to the Pensions Discovery Motions (Dkt. Nos. 7588, 7674, 7675, 7714). The Official Committee of Unsecured Creditors of all Title III Debtors (the “UCC”) filed limited joinders to the Pensions Discovery Motions (Dkt. No. 7880, 7883).

2. On June 19, 2019, this Court referred Ambac’s *Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004* to the Honorable Judith G. Dein pursuant to 28 U.S.C. § 636(b) (Dkt. No. 7514).

3. On July 9, 2019, Respondents filed their *Omnibus Opposition to the Pensions Discovery Motions* (“Opposition Brief,” Dkt. No. 7895).

4. On July 15, 2019, the parties jointly filed an urgent motion seeking an order (i) deferring consideration of the Pensions Discovery Motions to the July 30, 2019 hearing before the Honorable Judith G. Dein, in order to provide the parties with additional time to meet and confer regarding the requests; and (ii) extending the deadline for Ambac to file its reply to the

Opposition Brief to July 23, 2019 (Dkt. No. 8007). In the motion, the parties informed the Court that AAFAF had agreed to produce responsive materials related to internal and independent audits of pension payments made by the Employee Retirement System, and that the parties had agreed to meet and confer further on the Pensions Discovery Motions in an effort to narrow the dispute for the Court. On July 16, 2019, the Court granted the motion (Dkt. No. 8017).

5. On July 23, 2019, Ambac submitted its reply in further support of the Pensions Discovery Motions (“Reply Brief,” Dkt No. 8230). In the Reply Brief, Ambac represented that the parties agree that recent discussions among the parties have been in good faith and constructive, and stated that the parties have agreed to continue to meet and confer over the course of the week in order to determine whether they can reach further agreement regarding the scope of the requests.

RELIEF REQUESTED

6. By this Joint Motion, the parties request an order granting an adjournment of the hearing on the Pensions Discovery Motions to **August 14, 2019**, or as soon thereafter as is convenient for the Court, in order to allow the parties to continue to meet and confer to determine whether the parties can reach further agreement regarding the scope of the requests.

7. Pursuant to Paragraph 1.H of the *Ninth Amended Notice, Case Management and Administrative Procedures* (Case No. 17 BK 3283-LTS, ECF No. 7115-1), the parties hereby certify that they have carefully examined the matter and concluded that there is a true need for an urgent motion; have not created the urgency through any lack of due diligence; have made bona fide effort to resolve the matter without a hearing; have made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court; and have conferred with counsel for the Oversight Board, and no party opposes the relief requested herein.

8. This is the parties' second request for an adjournment of the hearing on the Pensions Discovery Motions.

Dated: July 26, 2019
San Juan, Puerto Rico

FERRAIUOLI LLC

By: /s/ Roberto Cámará-Fuertes
Roberto Cámará-Fuertes (USDC-PR No.
219002)
Sonia Colón (USDC-PR No. 213809)
221 Ponce de León Avenue, 5th Floor
San Juan, PR 00917
Telephone: (787) 766-7000
Facsimile: (787) 766-7001
Email: rcamara@ferraiuoli.com
scolon@ferraiuoli.com

MILBANK LLP

By: /s/ Atara Miller
Dennis F. Dunne
Andrew M. Leblanc
Atara Miller
Grant R. Mainland
(admitted *pro hac vice*)
55 Hudson Yards
New York, NY 10001
Telephone: (212) 530-5000
Facsimile: (212) 530-5219
Email: ddunne@milbank.com
aleblanc@milbank.com
amiller@milbank.com
gmainland@milbank.com

Attorneys for Ambac Assurance Corporation

/s/ Martin J. Bienenstock

Martin J. Bienenstock
Stephen L. Ratner
Timothy W. Mungovan
Paul V. Possinger
Margaret A. Dale
(Admitted *Pro Hac Vice*)
PROSKAUER ROSE LLP

Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

Attorneys for the Financial Oversight and Management Board as representative for the Debtors

/s/ Hermann D. Bauer

Hermann D. Bauer (USDC No. 215205)
O'NEILL & BORGES LLC
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944

Co-Attorneys for the Financial Oversight and Management Board as representative for the Debtors

/s/ John J. Rapisardi

John J. Rapisardi
(Admitted *Pro Hac Vice*)
O'MELVENY & MYERS LLP
7 Times Square
New York, NY 10036
Tel: (212) 326-2000
Fax: (212) 326-2061

Peter Friedman
(Admitted *Pro Hac Vice*)
1625 Eye Street, NW
Washington, DC 20006
Tel: (202) 383-5300
Fax: (202) 383-5414

Elizabeth L. McKeen
Ashley M. Pavel
(Admitted *Pro Hac Vice*)
610 Newport Center Drive
17th Floor
Newport Beach, California 92660
Tel: (949) 823-6900
Fax: (949) 823-6994
Attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority

/s/ Luis C. Marini-Biaggi

Luis C. Marini-Biaggi
USDC No. 222301
Email: lmarini@mpmlawpr.com
/s/ Carolina Velaz-Rivero
Carolina Velaz-Rivero
USDC No. 300913
E:mail: cvelaz@mpmlawpr.com

MARINI PIETRANTONI MUÑIZ LLC
MCS Plaza, Suite 500
255 Ponce de León Ave.
San Juan, Puerto Rico 00917
Tel: (787) 705-2171
Fax: (787) 936-7494

Co-Attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority

CERTIFICATE OF SERVICE

I hereby certify that on this same date a true and exact copy of this notice was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record.

/s/ Roberto Cámara-Fuertes
Roberto Cámara-Fuertes (USDC-PR No. 219002)

Exhibit A

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, et al.,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**[PROPOSED] ORDER GRANTING JOINT URGENT MOTION BY
AMBAC ASSURANCE CORPORATION, FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, PUERTO RICO FISCAL
AGENCY AND FINANCIAL ADVISORY AUTHORITY, AND THE
COMMONWEALTH OF PUERTO RICO, SEEKING AN
ORDER GRANTING AN ADJOURNMENT OF THE HEARING
ON THE PENSIONS DISCOVERY MOTIONS**

Upon consideration of the *Joint Urgent Motion by Ambac Assurance Corporation, Financial Oversight and Management Board for Puerto Rico, Puerto Rico Fiscal Agency and Financial Advisory Authority, and Commonwealth of Puerto Rico, Seeking An Order Granting an Adjournment of the Hearing on the Pensions Discovery Motion*, (the “Joint Motion”),² and the Court having reviewed the Joint Motion and the relief requested; the Court having jurisdiction

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

² Capitalized terms not defined in this Order shall have the meanings ascribed to them in the Joint Motion.

over this matter pursuant to 28 U.S.C. § 1331 and 48 U.S.C. § 2166(a); the Court determining that venue of this proceeding and the Joint Motion in this District is proper under 28 U.S.C. § 1391(b) and 48 U.S.C. § 2167(a); notice of the Joint Motion being adequate and proper under the circumstances; upon the record of the hearing on the Joint Motion; and after due deliberation and sufficient cause appearing; therefore, it is HEREBY ORDERED THAT:

1. The Joint Motion is GRANTED as set forth herein;
2. The hearing on the Pensions Discovery Motions is adjourned to **August 14, 2019**, or as soon thereafter as is convenient for the Court.

SO ORDERED.

Dated: _____
San Juan, Puerto Rico

LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE